

UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF WASHINGTON  
AT SEATTLE

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

vs.

GARY A. REYS,

Defendant.

Case No. 09-cv-1262 RSM

FINAL JUDGMENT AS TO DEFENDANT  
GARY A. REYS

The Securities and Exchange Commission having filed a Complaint and Defendant Gary A. Reys having entered a general appearance; consented to the Court's jurisdiction over Defendant and the subject matter of this action; consented to entry of this Final Judgment without admitting or denying the allegations of the Complaint (except as to jurisdiction); waived findings of fact and conclusions of law; and waived any right to appeal from this Final Judgment:

I.

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that Defendant and Defendant's agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Final Judgment by personal service or otherwise are permanently restrained and enjoined from violating, directly or indirectly, Section 10(b) of the Securities Exchange Act of 1934 (the "Exchange Act") [15 U.S.C. § 78j(b)] and Rule 10b-5 promulgated thereunder [17 C.F.R. § 240.10b-5], by using any means or instrumentality of interstate commerce, or

1 of the mails, or of any facility of any national securities exchange, in connection with the purchase or  
 2 sale of any security:

- 3 (a) to employ any device, scheme, or artifice to defraud;  
 4 (b) to make any untrue statement of a material fact or to omit to state a material fact necessary  
 5 in order to make the statements made, in the light of the circumstances under which they  
 6 were made, not misleading; or  
 7 (c) to engage in any act, practice, or course of business which operates or would operate as a  
 8 fraud or deceit upon any person.

9 II.

10 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant and  
 11 Defendant's agents, servants, employees, attorneys, and all persons in active concert or participation  
 12 with them who receive actual notice of this Final Judgment by personal service or otherwise are  
 13 permanently restrained and enjoined from aiding and abetting any violation of Section 13(a) of the  
 14 Exchange Act [15 U.S.C. § 78m(a)] and Rules 12b-20, 13a-11 and 13a-13 promulgated thereunder  
 15 [17 C.F.R. §§ 240.12b-20, 240.13a-11 and 240.13a-13] by knowingly providing substantial  
 16 assistance to an issuer that has a class of securities registered pursuant to Section 12 of the Exchange  
 17 Act [15 U.S.C. § 78l] or is required to file reports pursuant to Section 15(d) of the Exchange Act [15  
 18 U.S.C. § 78o] in failing to file with the Commission such accurate and complete reports, information,  
 19 and documents as are required to be filed with the Commission pursuant to Section 13(a) of the  
 20 Exchange Act [15 U.S.C. § 78m(a)] and the Commission's Rules thereunder, including but not  
 21 limited to, current reports on Form 8-K [17 C.F.R. § 249.308] as prescribed by Commission Rule  
 22 13a-11 [17 C.F.R. § 240.13a-11] and quarterly reports on Form 10-Q [17 C.F.R. § 249.308a] as  
 23 prescribed by Commission Rule 13a-13 [17 C.F.R. § 240.13a-13], such information and documents  
 24 to contain, in addition to such information as is expressly required to be included in a statement or  
 25 report to the Commission, such further material information, if any, as may be necessary to make the  
 26 required statements, in the light of the circumstances under which they are made, not misleading, as  
 27 prescribed by Commission Rule 12b-20 [17 C.F.R. § 240.12b-20].  
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## III.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that, pursuant to Section 21(d)(2) of the Exchange Act [15 U.S.C. § 78u(d)(2)], Defendant is prohibited, for five years following the date of entry of this Final Judgment, from acting as an officer or director of any issuer that has a class of securities registered pursuant to Section 12 of the Exchange Act [15 U.S.C. § 78l] or that is required to file reports pursuant to Section 15(d) of the Exchange Act [15 U.S.C. § 78o(d)].

## IV.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant shall pay a civil penalty in the amount of \$50,000 pursuant to Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)]. Defendant shall make this payment pursuant to the terms of the payment schedule set forth in paragraph V below after entry of this Final Judgment by certified check, bank cashier's check, or United States postal money order payable to the Securities and Exchange Commission. The payment shall be delivered or mailed to the Office of Financial Management, Securities and Exchange Commission, Operations Center, 6432 General Green Way, Mail Stop O-3, Alexandria, Virginia 22312, and shall be accompanied by a letter identifying Gary A. Reynolds as a defendant in this action; setting forth the title and civil action number of this action and the name of this Court; and specifying that payment is made pursuant to this Final Judgment. Defendant shall simultaneously transmit photocopies of such payment and letter to the attention of Marc J. Fagel, Regional Director, at the Commission's San Francisco Regional Office, 44 Montgomery Street, Suite 2600, San Francisco, CA 94104. Defendant shall pay post-judgment interest on any delinquent amounts pursuant to 28 U.S.C. § 1961. The Commission shall remit the funds paid pursuant to this paragraph to the United States Treasury.

Gary A. Reynolds shall pay \$50,000 in three installments according to the following schedule: (1) \$5,000 within 14 days of entry of this Final Judgment; (2) \$15,000 within six months of entry of this Final Judgment; and (3) \$30,000 within one year of entry of this Final Judgment.

If Gary A. Reynolds fails to make any payment by the date agreed or in the amount agreed according to the schedule set forth above, all outstanding payments under this Final Judgment,

1 including post-judgment interest, minus any payments made, shall become due and payable  
2 immediately without further application to the Court.

3 V.

4 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the Consent is  
5 incorporated herein with the same force and effect as if fully set forth herein, and that Defendant shall  
6 comply with all of the undertakings and agreements set forth therein.

7 VI.

8 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this Court shall retain  
9 jurisdiction of this matter for the purposes of enforcing the terms of this Final Judgment.

10 Dated: \_October 26, 2010\_\_\_\_\_

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13 RICARDO S. MARTINEZ  
14 UNITED STATES DISTRICT JUDGE

15 Approved as to form:

16 \_\_\_\_\_  
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